

هيئة الاتصالات وتقنية المعلومات  
Communications and Information Technology Commission



Annual Report

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2005



*Custodian of the Two Holy Mosques*  
**King Abdullah Bin Abdulaziz Al Saud**



*His Royal Highness*  
**Crown Prince Sultan Bin Abdulaziz Al Saud**  
The Deputy Premier &  
The Minister of Defence & Aviation &  
Inspector General

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## Chairman's Statement



The Kingdom of Saudi Arabia is committed to its declared policies of economic reforms, market openness and transparency. Such efforts culminated with the accession of Saudi Arabia to the World Trade Organization membership in November 2005.

The Information and Communications Technology (ICT) sector in the Kingdom is large and fast growing. More importantly, ICT has a stimulating impact on the efficiency and competitiveness of other sectors of the economy. The Government has taken a number of steps towards restructuring this important sector with the objectives of introducing and encouraging effective competition, attracting local and foreign investment as well as protecting public interest and consumer rights. Responsibility for provision of Telecommunications was transferred from the government to a commercial company (STC) which was partially privatized. The "Telecommunications Act" and the "Bylaw" were also issued. The CITC was established in 2001 as the Regulatory Authority with legal standing and financial and administrative independence.

The CITC has taken a number of steps to liberalize the ICT market and create a positive regulatory framework to encourage investment and promote growth of the ICT market. In the period 2003 to 2005, licenses were issued to STC, four new VSAT operators, 2 additional data communications providers, over 30 internet service providers (ISPs), in addition to a number of other service providers.

The successful opening of the mobile sector was one of the key achievements. A second GSM license and two 3G licenses were awarded. The CITC managed the second mobile licensing process well with a high level of competition from leading regional and international bidders. In 2005, the Saudi market witnessed the start of real competition with the successful launch of the second mobile service.

As a result, ICT services have been improving in terms of spread, quality and lower prices to the consumers. The teledensity at the end of 2005 for fixed telephone lines grew to 16.3% (3.8 million lines), for mobile to over 60% (14.2 million subscribers) with a growth of over 54% compared to last year. Internet users also grew to around 13% penetration (about 3 million users).

It gives me pleasure to introduce the "CITC Annual Report 2005". The Report highlights the major accomplishments of the Commission for the year. I would like to extend my appreciation to the CITC staff for their efforts. A lot has been achieved so far and even more needs to be done in the coming years. I am confident that the CITC will continue to work hard to meet and exceed the challenges of 2006 and beyond.

**Mohammed Jamil A. Mulla**

*Chairman*

*(Minister of Communications and Information Technology)*



## Governor's Statement



It is my pleasure to present the 2005 "Annual Report of the Communications and Information Technology Commission".

As the regulator, CITC is mandated with liberalizing the ICT sector, and promoting effective competition, in order to enable the provision of advanced ICT services at affordable prices with high quality throughout the country. In addition to its growing contribution to the GDP, the ICT sector will also improve the efficiency and competitiveness of other sectors of the national economy.

In the first three years of its existence (2001-2004-), the CITC completed the initial phases of sector liberalization with establishment of the required legal and regulatory frameworks and with issuance of some new licenses.

The Saudi mobile market witnessed the introduction of competition when the Second Licensee launched services in May 2005. Competition provides more consumer choices, improved customer service, better quality and lower prices.

In 2005, the CITC adopted its five year "Strategic Plan" and laid down a program to complete full market liberalization over the next few years. A second 3G license was issued, in addition to licenses to more ISP's and other services. The Commission also continued regulating STC tariffs, addressing consumer complaints and performing other regulatory functions to enable network interconnection, national roaming, mobile number portability and dispute resolution. The CITC carried out a detailed ICT market study, assessing demand and the status of competition for each ICT service, and identifying liberalization options. In the IT field, the CITC developed a number of national initiatives including the Home Computer Initiative.

The CITC will continue its efforts in market liberalization and maintenance of a positive regulatory environment with fair and effective competition to encourage investment and promote

the orderly growth of the ICT sector. The CITC vision is for universally available, high quality and affordable ICT services.

The Commission is currently working on a number of strategic programs including development of a National Frequency Plan, liberalization of the fixed telephone market and issuance of further mobile licenses.

In presenting this 2005 Annual Report, I would like to seize the opportunity to acknowledge the support of the Kingdom's leadership, other ministries and government agencies. I would also like to thank the Board of Directors and the CITC staff for their dedication and professionalism in addressing current and future challenges.

**Dr. Mohammad Al-Suwaiyel**  
*Governor*



## *Our Vision*

*"Universally available, high quality and affordable communications and information technology services".*

## *CITC Mission*

- Provide a fair, clear and transparent regulatory environment to promote competition, safeguard public interest and stakeholder rights
- Enable universal availability of advanced ICT services and optimize utilization of scarce resources
- Increase ICT awareness and usage to enhance national efficiency and productivity
- Build a professional and motivated CITC team.

# CITC Board



**H.E. Eng. Mohammed J. Mulla**  
*Chairman*  
Minister of Communications and  
Information Technology



**H.E. Dr. Mohammed I. Al Suwaiyel**  
*Deputy Chairman*  
Governor of the CITC



**Dr. Abdullah A. Al-Rasheed**  
*Member*  
King Abdulaziz City for Science  
and Technology



**Mr. Ali S. Al-Hedaithi**  
*Member*  
Ministry of Finance



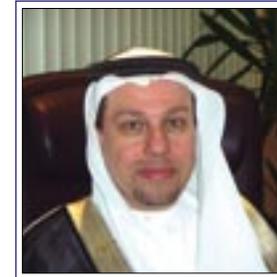
**Mr. Ahmed H. Bedaiwi**  
*Member*  
Ministry of Trade and Industry



**H.E. Ahmed Abdullatif**  
*Member*  
Private Sector



**Dr. Abdelaziz A. Al-Gwaiz**  
*Member*  
Private Sector



**Dr. Ihsan Ali. Bu' Hulaiga**  
*Member*  
Private Sector



## 1. Executive Summary

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The Kingdom of Saudi Arabia is enjoying an economic boom, supported by a strong and growing information and communications technology (ICT) sector. The CITC is the telecom regulator established in 2001 as a stand-alone legal entity with financial and administrative independence. Its mandate includes regulating the ICT sector and promoting IT adoption in the country.

The Commission has taken major steps in regulating ICT services. The CITC has completed its fourth year with continuing efforts to lay down all the necessary organizational procedures, and implement policies and laws enacted by the government. It has made progress in bringing a fair balance between the interests of the users, the providers, and the investors in this sector. This report covers CITC's major accomplishments during the year 2005.

A total of 80 new licenses were issued in 2005, including the second 3G, two data services, ISPs and other services. The Commission continued to support the new licensees, in cooperation with other government agencies, in their efforts for timely launch of their services.

With focus on further liberalization, the Commission took major steps in initiating preparation of the National Frequency Plan, which is to be completed in 2006. The National Frequency Plan will be instrumental in optimizing the utilization of this key and scarce natural resource. Furthermore, CITC has completed a major market study resulting in initiation of the new licensing program with focus on Fixed and Mobile services licensing.

A universal access and universal service policy was developed and when approved, will enter the critical stages of implementation. A number of activities were also carried out in the area of Quality of Service; Numbering and Mobile Number Portability; Equipment Type Approvals and Technical Specifications; WSIS and Internet Governance; and in the formation of the National Information Society Committee.

The Commission has restructured its IT organization in response to CITC's expanded mandate. Initiatives in Home Computing, Smart Cities and CERT were undertaken as well as in the restructuring of Internet operational tasks.

The Kingdom's accession to the World Trade Organization (WTO), in November 2005, has provided a further impetus to the CITC's plans for accelerating the liberalization agenda for the ICT sector. The CITC has been working towards full liberalization of the ICT sector, to attain its vision of enabling provision of universally available, high quality and affordable ICT services in the Kingdom. This will assist in improving the quality of life of Saudi citizens and residents, and reflect positively on the national economy and its ability to attract and accommodate the growing interest of local and international investors.

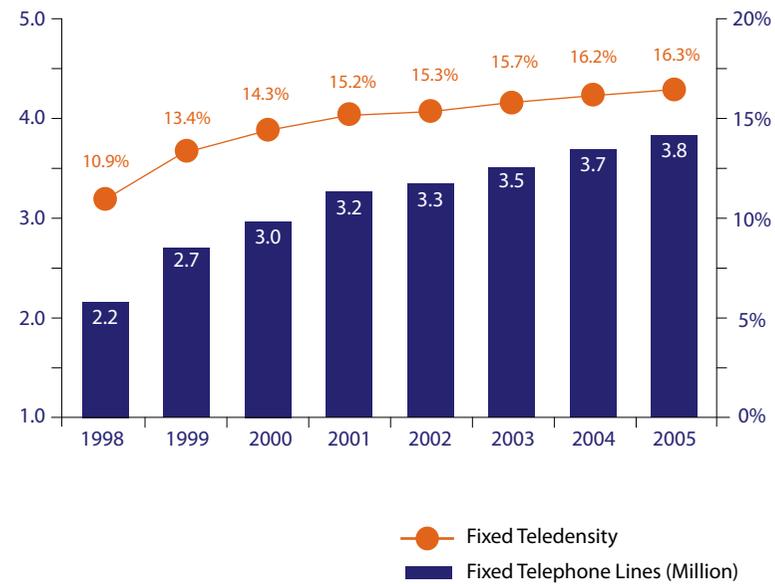


## 2. ICT Sector Evolution in Saudi Arabia



Fixed telephone lines reached 3.8 Million in 2005 (amounting to a teledensity of 16.3 lines per 100 inhabitants or 16.3%), up from 2.2 Million lines (10.9% teledensity) in 1998. This represents a modest cumulative annual growth rate (CAGR) of 8%. Figure 1 below shows the evolution of fixed telephone service.

Fixed Telephone Evolution (1998-2005)





For the Mobile sector, 2005 was a landmark year in terms of competition, service and price offerings, and subscriber growth. The second mobile operator (which was licensed at the end of 2004) launched its commercial services in May 2005 signaling the start of the first public competition in the Saudi telecom market. In line with global trends, Saudi Arabia's mobile market has witnessed a tremendous growth in terms of subscribers and service coverage. The number of subscribers has grown from 0.6 million subscribers in 1998 (3% penetration) to around 14.2 Million (60% penetration) in 2005. This represents a cumulative annual growth rate of 57%. Penetration rate (mobile teledensity) has increased by around 2000% over the seven-year period. Figure 2 depicts the mobile subscriber growth.

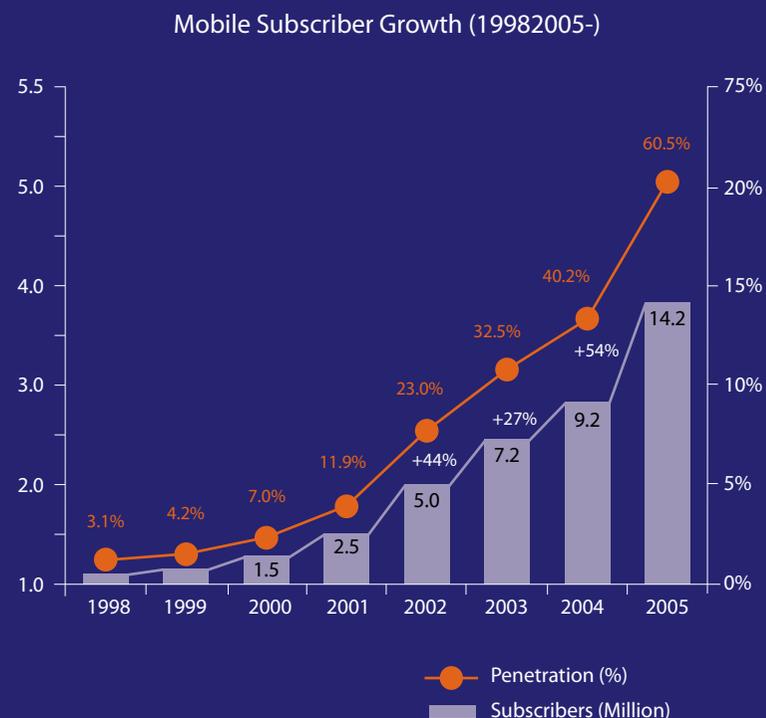


Figure 2: Mobile Market Evolution

Internet users grew from around 1 Million in 2001 to an estimated 3 Million by the end of 2005 (a penetration rate of around 13%). This corresponds to a cumulative average growth rate of around 31% annually. Figure 3 shows the growth in internet use for the period 2001-2005.

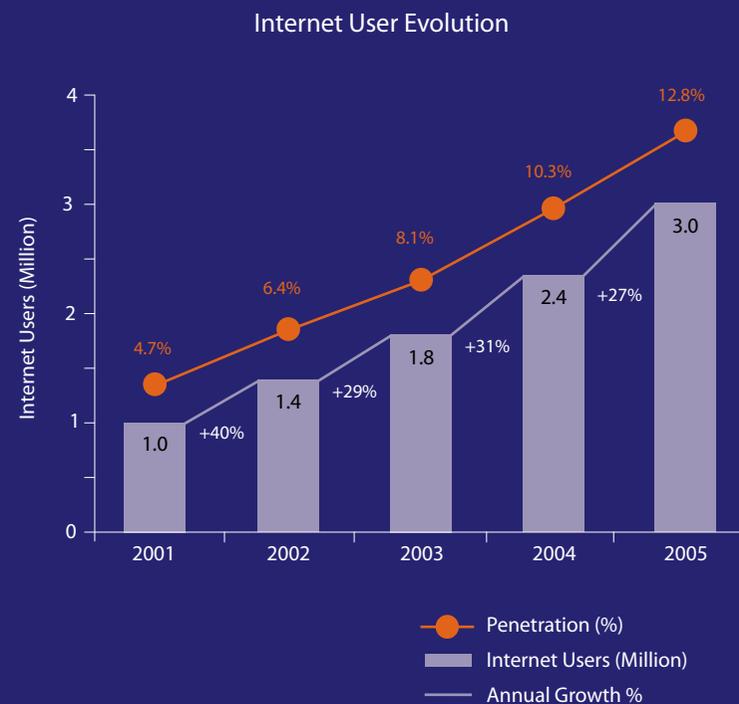


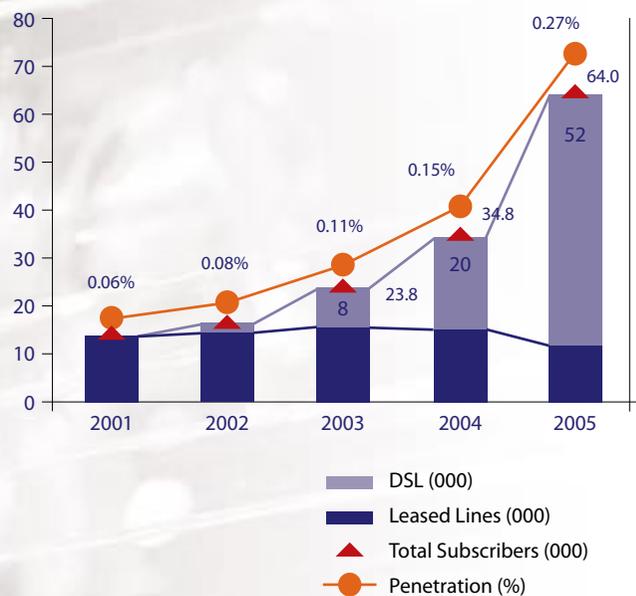
Figure 3: Internet User's Growth, 2001-2005.



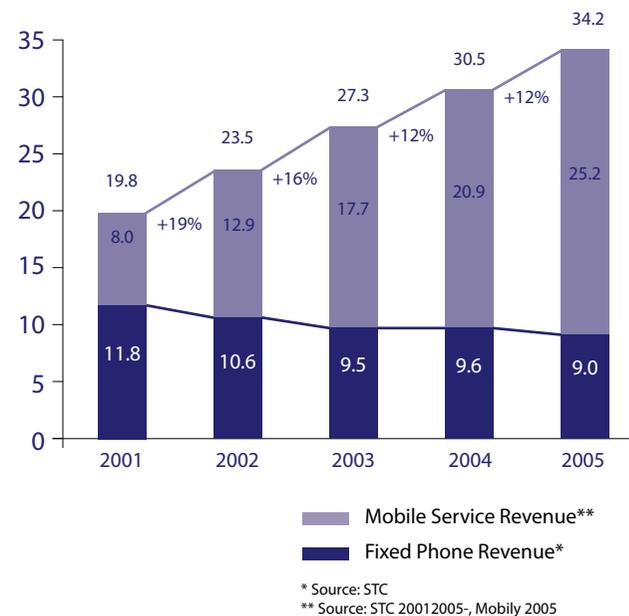
Broadband subscribers have grown from 14000 in 2001, to around 64000 at the end of 2005, as depicted in Figure 4. The penetration rate is less than 0.3%, which is very low relative to both the world average of around 3%, and the developed country average of over 15%. As a result, there is a huge growth potential for broadband service in the Kingdom. A large unmet demand exists because of supply side limitations. This demand is forecasted to grow at a fast rate, offering attractive opportunities for broadband network and service expansion in the Kingdom.

Telecom sector revenues have been steadily growing at a cumulative average rate of around 15% annually, increasing from 19.8 Billion Saudi Riyal (5.28 Billion US\$) in 2001 to over SR 34.2 Billion (US\$ 9.2) in 2005. Figure 5 tracks the overall revenue growth including fixed and mobile revenues.

Broadband Subscriber Growth



Telecom Revenues (SR Billion, 1 US\$ = 3.75 SR)



\* Source: STC  
 \*\* Source: STC 20012005-, Mobily 2005

Figure 3: Internet User's Growth, 20012005-

### 3. Meeting the Challenges of the Kingdom's ICT Sector



the CITC in the Kingdom. The *Rules of Procedures* provide steps the Service providers as well the Commission need to follow for timely disposition of issues addressed to the Commission. The CITC Statutes cover all aspects of regulation including the spectrum and frequencies, numbering, licensing, competition rules, interconnection, equipment and facilities, use of property, tariff regulations and violations and penalties. These statutes are available on line in the Commission's web site ([www.citc.gov.sa](http://www.citc.gov.sa)).

Furthermore, The CITC is currently working on the development of the National Frequency Plan, and the elaboration of detailed policies and licensing criteria and procedures for further liberalization of sector and upcoming licensing of new fixed and mobile service providers as per the liberalization timetable set by the Government (Council of Ministers).

The Commission has studied the implications of the Kingdom's accession to the WTO and has initiated a process to modify and the CITC Statutes in order to ensure their consistency with the Kingdom's WTO commitments. Where appropriate, the modernization of CITC's Statutes will also cover its expanded role in the Information Technology sector.

#### 3.1 Regulatory Framework

The CITC Statutes (the Act, the Bylaw, the Ordinance and the Rules of Procedures) provide the Commission's regulatory framework. The *Telecommunications Act*, enacted in June 2001, provides the legislative foundation for developing and regulating the telecommunications sector. The Act has a number of objectives including: to provide advanced and adequate telecommunications services at affordable prices; to promote and encourage fair competition in all fields of telecommunications; to ensure effective and interference-free usage of frequencies; to ensure transfer and migration of telecommunications technology to keep pace with its development; to ensure clarity, transparency, equality and non-discrimination; and to safeguard the public interest and the user interest. The CITC *Ordinance*, which became effective in June, 2001, created the CITC and defined its functions, governance and financing.

The *Telecommunications Bylaw* issued in July 2002, and with 15 Chapters and 96 Articles, provides for the regulation of the telecommunications sector by



### 3.2 Challenges and Opportunities

The CITC faces numerous opportunities and challenges in regulating and fostering the growth of the ICT sector in the Kingdom. With the announced plans for liberalization of the ICT sector, and with the Kingdom's accession to the WTO, market expectations, from the perspectives of industry, investors and users will be high and will need to be managed well by the Commission.

In view of this changing environment, a number of strategic issues need to be considered.

- The licensing processes need to be studied and adjusted to accommodate the WTO commitments (as detailed later in Section 7). This will have an impact on the planned licensing for fixed, mobile and other services. The CITC must provide leadership in decisively formulating a strong regulatory and licensing framework by not only amending its Statutes but also developing a number of policies on a variety of issues, such as scope of services to be licensed, Voice over IP, interconnection and unbundling, carrier selection, numbering and number portability for both mobile and fixed, and other services.
- Proactive management of the country's scarce resources (spectrum, numbering and rights of way) will be crucial in successfully meeting the challenges of the ICT sector.
- Market behavior of the incumbent (ex-monopoly) Saudi Telecom Company, in light of its dominant position, requires careful regulatory controls, as necessary, to ensure fair and equitable competition, to safeguard against anti-competitive practices or unfair exploitation of market dominance, and to protect both the consumer rights and the public interest.
- Managing the expectations of users (consumers/subscribers) and investors will need to be carefully balanced so that new investors can achieve a reasonable rate of return while ensuring that prices for ICT services in the Kingdom keep pace with

the decreases in per unit prices experienced globally. This also means that regulation of the incumbents, especially the dominant service provider, is well managed to ensure there is no anti-competitive behavior in the ICT market.

- The Internet penetration of 13% (and the low broadband penetration) suggest that there is a tremendous potential for market growth. Investor opportunities will need to be created through cooperation between industry, government and regulators.

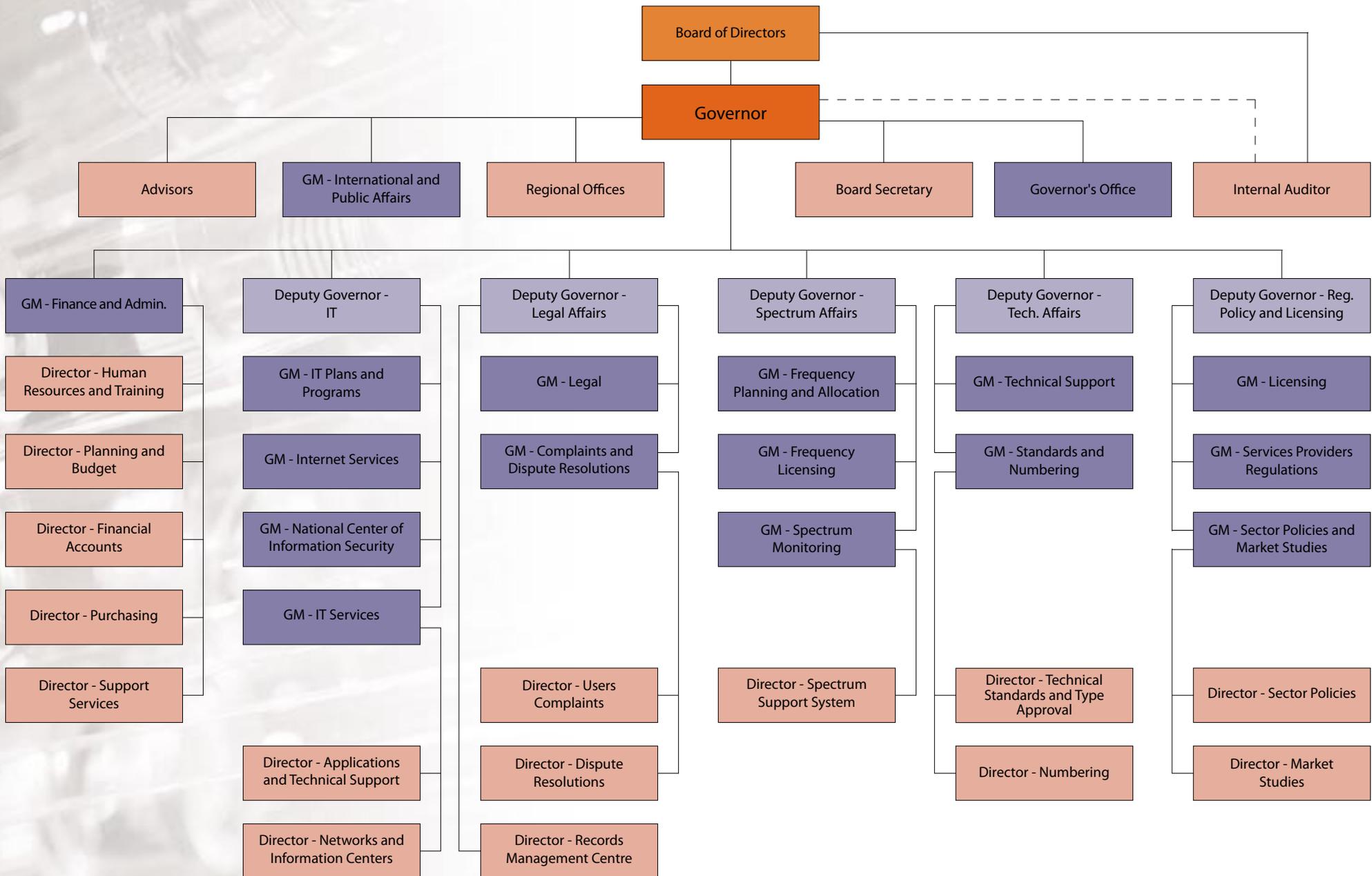
In addressing these challenges, issues of public interest, safety and security must also be addressed at the same time. All in all, the numerous challenges can be viewed as opportunities that will add to CITC's portfolio of projects and activities.

## 4. Organizational Structure and Manpower



The Governor of the CITC is its Chief Executive Officer. He supervises CITC's senior management as well as CITC's budget spending. Five Deputy Governors (for Regulatory Policies and Licensing, Legal Affairs, Technical Affairs, Frequency Spectrum and I.T.) report to the Governor. A new position of Deputy Governor for Information and Technology was created in 2005 to reflect the added mandate of CITC to include IT, and its increasing importance to the Kingdom. In addition, two General Managers (for International and Public Relations and for Finance & Administration) also report to the Governor. The Organizational Structure is shown in the Chart below.

The CITC aims at recruiting highly qualified personnel to carry out its mission and achieve its objectives. The total number of its personnel at the end of the year 2005 was 214 of which Saudis represent 93.5% of staff.



## 5. Facilities and Automation



The CITC headquarters are located in Riyadh, with two regional offices in Jeddah and Al-Khobar. Its offices are currently rented. However, with the intent of consolidating its Riyadh offices and of owning the premises for its headquarters in Riyadh, one lot was selected for acquisition. The 50,000 m<sup>2</sup> lot is located in the north of Riyadh and was owned by Public Pension Agency. Financing for the lot was agreed-upon with the same agency. The CITC also selected and approved a design, through a public tendering process, for the new office building. Financing and contract details have been worked out for the start of building construction in 2006.

The CITC has continued to maintain state-of-the-art automation with leading edge IT infrastructure including hardware and software, Internet access and a variety of computer applications for its staff's daily business use. The CITC website ([www.citc.gov.sa](http://www.citc.gov.sa)) is also kept lively and up to-date with news releases, public notices, regulatory information, etc., and is maintained daily with the aim of continuous improvement. In addition, archiving and search services have been added together with backup services.



## 6. Major Achievements in 2005

### 6.1 Market Study of the Kingdom's ICT Sector

The CITC completed a detailed market study in preparation for initiation of the licensing processes leading to the award of new Fixed and Mobile Services licenses in 2006. This qualitative and quantitative study included analyses of various market segments; building a business model to study and analyze the current and future trends of the ICT market and service requirements; a detailed gap analysis; benchmarking; studying the Tariff levels of services and their price and revenue elasticity; and documenting where early competitive new entry is likely to be most beneficial to the sector in terms of quality, availability and price affordability.

### 6.2 Licensing

#### 6.2.1 - Licenses Issued

In its process towards market liberalization, the CITC had taken steps for supporting more competition with the licensing of a second mobile services provider, two 3G services providers and two data network service providers, as well as allowing several ISPs and other services. In 2005, the CITC issued a total of 80 new licenses to for ICT services.

The Commission also coordinated with a number of governmental and other agencies (e.g. municipalities and Ministry of Transportation) to assist the new licensees to construct their networks. With this assistance, Mobily successfully launched its commercial GSM services in 33 cities in May 2005. Relative to Mobily's original obligation, this represents the launch one month early of an additional 19 cities. Mobily and STC also signed interconnection and national roaming agreements in a short time compared to the international experience in other newly liberalized markets. The CITC also assisted the two new Data Service providers (Bayanat and ITC) in resolving a number of issues and in making progress toward full commercial launch of their services.

Terms and conditions for eight types of Class (B) licenses were developed, with the intent of making the licensing process easier and faster.

#### 6.2.2 - Towards Full Liberalization

During the year, the CITC prepared a Strategic Plan (see Section 8) with a 5 years horizon on its march towards full deregulation of ICT services.

This year, the Commission also launched a program of activities for the licensing of fixed and mobile services. A detailed request for proposal (RFP) for consultancy services was distributed to 13 potential bidders to assist the Commission on these key projects. Arthur D. Little (ADL), with its associates, was chosen as the consultant for the 2006 licensing program. The Commission, in association with ADL, developed a detailed project plan, team structure and work assignment and approval processes to ensure the successful completion of key project milestones in 2006.





### 6.3 Universal Access and Universal Service Policy

A Draft universal access and universal service policy was developed. Due to the economic and social significance of this policy, the CITC performed extensive best practice benchmarks, carried out public consultations, and organized workshops to seek inputs from other government ministries and various stakeholders. The policy calls for the establishment of a "Universal Service Fund" to finance the achievement of the following Policy objectives:

- Achieving universal access to voice service within a period of three years of establishment of the Fund.
- Universal service for voice service within five years.
- Universal access to Internet service within five years.
- Achieving universal service for Internet service within seven years.

The policy was endorsed by the CITC Board of Directors and sent to the Minister of CIT for approval.

Work was also initiated on development of an Execution Measures document, outlining the implementation procedures and funding mechanisms for the policy.

### 6.4. Tariff Regulation

The Price Cap tariff regime for STC's monopoly services which came into effect in July 2004 continued in 2005. Under this regime, STC will be allowed to increase its tariff by no more than  $(I-X)$  % annually, where I is the inflation index and X is a productivity factor. During 2005, the Commission issued 32 Decisions on STC related issues (Appendix 4).

Competition for mobile services became a reality with the launch of service by Mobily in May 2005. This first step towards establishing a healthy competitive environment provides supplier choice to subscribers, with competitive rates and creative services offered by the competing carriers. The exponential market growth as well as healthy financial results of both STC and Mobily in 2005 provides evidence that competition is having the desired effect. This extraordinary growth was possible in part due to falling rates offered by the two providers to be competitive, with subscribers significantly benefiting from reduced prices and the suppliers also benefiting due to a substantial increase in demand and revenues.

The CITC has continued to keep the public interest in mind when assessing the impact of its liberalization program. The CITC will continue to be vigilant in ensuring and evolving a healthy competitive environment in the Kingdom. The Commission expects the downward trend in rates to continue in 2006.

### 6.5 Reference Interconnection Offer (RIO)

After regulatory proceedings which lasted over a year and included benchmarking, public consultations and discussions, STC filed a final RIO which was approved by CITC in April 2005. The Commission achieved its objective of having an approved RIO on time to facilitate the launch of the newly licensed service provider networks. During the year, STC and the newly licensed mobile service provider (Mobily) also negotiated, signed and filed with the CITC the first inter-operator Interconnection Agreement in the Kingdom.

The Commission also initiated a process requiring review and revision of the RIO within one year from the date of the initial approval of STC's RIO. This process is underway and includes a complete review of STC's interconnect service offerings and related tariffs. The revised RIO is planned for approval and publication in April 2006.



### **6.6 Accounting Separation**

In response to the CITC Decision requiring the incumbent to provide Account Separation for its business units, STC filed an Interim Solution methodology to be applied to its financial records for the years 2004 and 2005. STC's proposal also indicated its plans for developing a final solution to be applied from the year 2006 onwards. The Commission conducted an evaluation of STC's proposal, and issued a decision in October 2005, approving the Interim Solution. The main goal of the Accounting Separation filings is to ensure that as a dominant service provider, there is no cross-subsidy between STC's various business units. The Commission notes that progress is slowly being made in this regard.

### **6.7 National Numbering Plan Management**

Consistent with the approved National Numbering Plan (NNP), Mobily was allocated the 056 series of 9 digit numbers. The capacity of the NNP is up to 100 million numbers, meeting estimated requirements for the foreseeable future.

The CITC also initiated a project to implement an automatic system to manage the National Numbering Plan. Specialized experts in this field were invited to respond to an RFP and the best of the bidders was selected to implement this project. This system will provide reservation and allocation of numbers for all communications services and will count the Fees for these services. Once the system tests are completed, the system will be launched on the CITC web site.

### **6.8 Mobile Number Portability (MNP)**

CITC's coordination efforts with the two mobile service providers (STC and Mobily) resulted in them reaching an agreement to implement MNP based on a technical solution which complies with international standards. MNP is expected to be implemented in 2006. In order to facilitate the process for porting numbers, and guarantee that the MNP functionality can accommodate future service providers, the Commission assumed the responsibility of implementing a Number Portability Clearing House and Database (NPC) through a 3rd party (Consultant). Implementation of the NPC was completed in 2005.

A public consultation process resulted in selection of a suitable approach (tone method) to inform a caller that the number dialed was ported to another Service Provider.

### **6.9 Quality of Service (QoS)**

In conformance to the CITC Quality of Service (QoS) Decision, STC submitted four quarterly reports in 2005. These reports were reviewed by the Commission to ensure adherence to the required QoS standards. In addition, the CITC expanded the QoS indicators to include VSAT and DSP service providers. The CITC also initiated an extensive review of the QoS regulations, with the intent of updating them in view of new developments in ICT services. This review includes a benchmarking study to determine international best practice as well as development of methods for ensuring the level of precision of the reported results.

### **6.10 Type Approval and Technical Specifications**

The CITC developed systematic procedures for equipment type approval consistent with the trend for simplifying the process of importing and distributing ICT equipment while ensuring the network and its users are protected. The process of developing the procedures included an extensive public consultation with different entities inside and outside the Kingdom including governmental agencies, manufacturers, equipment importers, test laboratories and the concerned international telecommunications organizations.

Related Technical Specifications for ICT equipment were developed after conducting a separate and equally extensive public consultation process with the various stakeholders.



### 6.11 Technical Support

Technical support to a number of regulatory activities continued. These included for example, discussions with service providers and government agencies to speed up network roll out and resolve technical issues; developing a draft of a booklet on health effects of mobile phones and base stations; addressing several security issues such as stolen cellular phones, illegal use of VoIP phones, and issues related to emergency calls to 112 and 999 etc. In view of providing capacity and diversity, the CITC worked with government agencies on rights of way for laying underground cabling. The Commission also worked with service providers to form a consortium to address duct sharing etc.

### 6.12 National Frequency Plan

A detailed program was initiated to develop the National Frequency Plan (NFP). The NFP development team carried out detailed study of the following:

- the current procedures for spectrum management in the Kingdom
- analysis of the current assignments in all the frequency bands
- layout of the NFP
- Definition of major user categories (Government, Civil and Commercial)
- specification of the license-free spectrum category in the Kingdom
- development of a draft NFP in the band 9KHZ - 862MHZ

Work will continue in 2006 on the development of the NFP, including major milestones such as public consultation and coordination with major users and other stakeholders. The NFP development project is scheduled to be completed in Sept. 2006 for submittal to the Government for the Council of Ministers' approval.

### 6.13 Spectrum Fees

The Spectrum Usage Fee Law, issued by the Government in 2004, stipulates that all spectrum users shall pay a fee for using the spectrum, and that the CITC is responsible for billing and collection. Accordingly, the Commission reviewed frequency usage data against the entries in the National Frequency Register, computed amounts due based on the approved Spectrum Fee Formula and billed the different users. As a result, some users actually returned some of their frequency assignments, fees were recalculated and the National Frequency Register was updated to reflect the frequencies returned.

#### **6.14 Frequency Management**

A number of activities were carried out for the development of a modern Frequency Management System (FMS) for monitoring, and a Radio Spectrum Management Software System (RSMSS) for processing frequency assignments and minimizing electromagnetic interference. RFPs were sent out to potential bidders for two consultancy projects on MFMS and RSMSS, with letters of intent (LOI) issued to the winning consultants. The projects are expected to start in early 2006.

The CITC has continued processing of ongoing spectrum management activities including, for example, assignments (2214), licensing (2000+), monitoring, interference investigation, inspection, calibration and international coordination.

#### **6.15 Violations Committee**

The CITC has set up a procedure to deal with violations of the Telecommunications Act, and has investigated 935 cases of violations and issued the appropriate rulings. These infringements included network interruption, cable cuts, line disconnections, illegal connections, unlicensed sale of communication services and usage of unlicensed radio equipment.

#### **6.16 Complaints and Disputes**

As part of its mandate, the CITC is required to protect consumer and user interests. In 2005, the CITC has acted on over 300 cases out of about 500 complaints. The remaining cases are in the process for resolution.

#### **6.17 e-Transactions and e-Crimes Acts**

The proposed e-Transaction Act and the e-Crime Act were drafted and submitted to the Council of Ministers and are being reviewed by Council's Bureau of Experts. Both draft Acts are also under review by the Shoura Council.

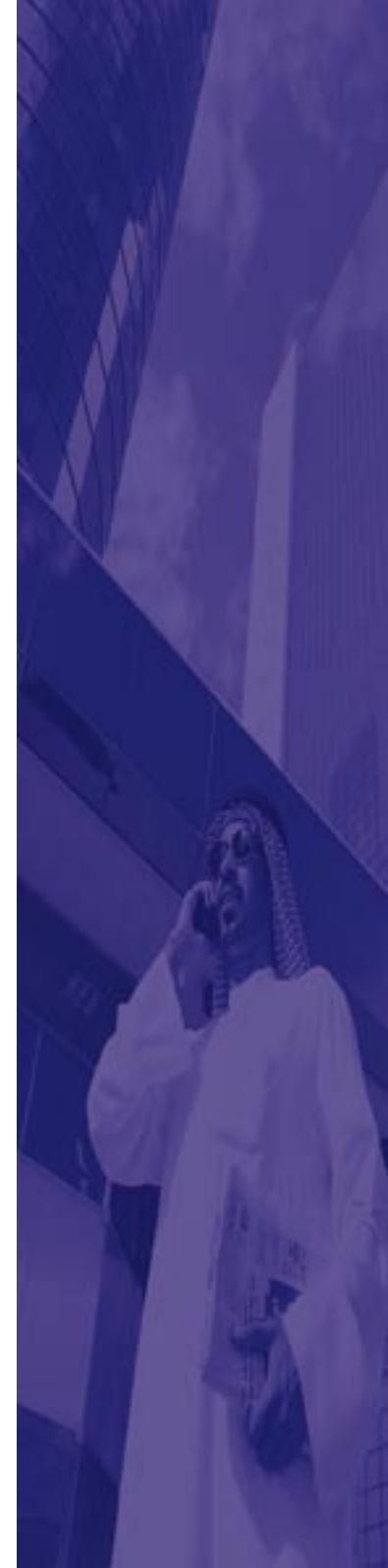
#### **6.18 National Center for Information Security Awareness**

The CITC is tasked with the establishment of the National Center for Information Security Awareness. Ground work and benchmarking activities were completed in preparation for project kickoff in early 2006. A detailed RFP was issued to a short-list of invitees for a consultation project on the establishment of the Center, with the award going to SCAN Associates of Malaysia.

#### **6.19 Home Computing Initiative**

The Home Computing Initiative (HCI) aims to enable one million Saudi families (over the next five years) to obtain a PC through an easy process and an affordable installment plan. The following were 2005 accomplishments:

- Development of a web portal to track sales and maintain partner links
- Agreement with local manufacturers to unify the PC specifications, to bundle contents and to assemble at manufacturer's premises
- MOU's were signed with five distribution partners; National Commercial Bank for financing and STC for billing customers
- Since the HCI launch in October 2005, 9818 bundles were sold by year end.





### 6.20 Smart City Initiative

The objective of the Smart City Initiative is to provide advanced e-services to businesses and the public at home and other public places such as airports, parks and hospitals. The Initiative will utilize an advanced infrastructure for cities where all services and their contents are provided electronically in an effective and efficient manner utilizing Broadband technologies. Implementation will start with Riyadh City as the first smart city in the Kingdom. An MOU was signed with Intel, during its Chairman's visit to KSA.



### 6.21 Internet Service Restructuring

The 2004 Council of Ministers' decision to restructure internet service in Saudi Arabia, calls for the transfer of filtering and Domain Names Registration Administration from King Abdulaziz City for Science and Technology (KACST) to the CITC. Implementation steps started in 2004, and continued in 2005 as follows:

- A joint team was formed CITC, KACST, and STC to develop plans for the transfer of DNS and Filtering from KACST to CITC, Internet gateway from KACST to STC.
- First phase of the filtering system was completed and is now available to Data Service Providers (DSPs)
- DNS system was developed and is ready for operation

### 6.22 World Summit for Information Society (WSIS) & Internet Governance

The CITC headed the Kingdom delegation to the Preparatory Committee meetings for the World Summit for Information Society (WSIS) Summit in Tunis. The CITC also headed the meetings of the National WSIS Committee. A report was prepared outlining the Kingdom's efforts towards implementing the WSIS Action Plan and Declaration of Principles approved by the first phase of the Summit (Geneva, 2003). The CITC participated in the Kingdom's delegation to the Tunis Summit.

The Commission participated actively in the Working Group appointed by the United Nations Secretary General with the mandate of conducting a review of the current Internet governance and making recommendations on key issues. The CITC's involvement included extensive discussions, reviewing draft documents and presenting proposals to as well as participating in the drafting of the final report which was presented to the UN Secretary General.

## 7. WTO Commitments and CITC Obligations



CITC participated in negotiations leading to completion of requirements for WTO Accession. This included extensive work in amending offers and formulating counter offers in accordance with recent negotiations with member countries and in determining the Kingdom's obligations in the telecommunications sector. The Commission achieved harmonization between the obligations provided in the telecommunications sector and internal working strategy to encourage investment and competition in the sector. The Kingdom joined the WTO as the 149th Member on November 11, 2005.

### 7.1. WTO Commitments

WTO Accession generally opens doors for more opportunities for foreign investment in the country by removing trade barriers. As part of the WTO Agreement, KSA is bound by obligations related to telecommunications within:

- The General Agreement of Trade in Services or GATS
- The Agreement on Basic Telecommunications or ABT (within the GATS)
- The Reference Paper (within the ABT)

Within the GATS, KSA is committed to some general obligations:

- Providing non-preferential treatment amongst the other WTO members
- Transparent processes, regulations, operations, etc.
- Domestic regulations should be objective and impartial
- Ensuring monopolies operate in a manner consistent with WTO commitments
- Opening its business practices for review by others for possible modification

Within the ABT, KSA is committed to providing full market access for its telecommunications services, allowing an increasing level of foreign participation from 2005 to 2008 (specific to different services, e.g. 60% for fixed and mobile and 70% for others).

The Reference Paper sets regulatory obligations for the basic telecom sector, including rules on competitive safeguards, interconnection, public availability of licensing criteria, independent regulator, universal service and the allocation and use of scarce resources.

### 7.2 Implications on the CITC

The CITC studied the WTO implications in detail, and obtained analysis of consultants and has reflected the needed programs for 2006, e.g.:

- Revisions to the CITC Statutes to reflect the key issues of foreign investment and ownership, joint-stock company & IPO, market restrictions, and competitive monitoring
- Changes to the licensing processes to accommodate restrictions which are only allowed based on availability of scarce resources (e.g. spectrum, numbering and rights of way)
- Monitoring/enforcing fair competition, and exercise of such powers
- Optimizing CITC organization and its operations accordingly



## 8. Strategic Plan and 2006 Key Activities

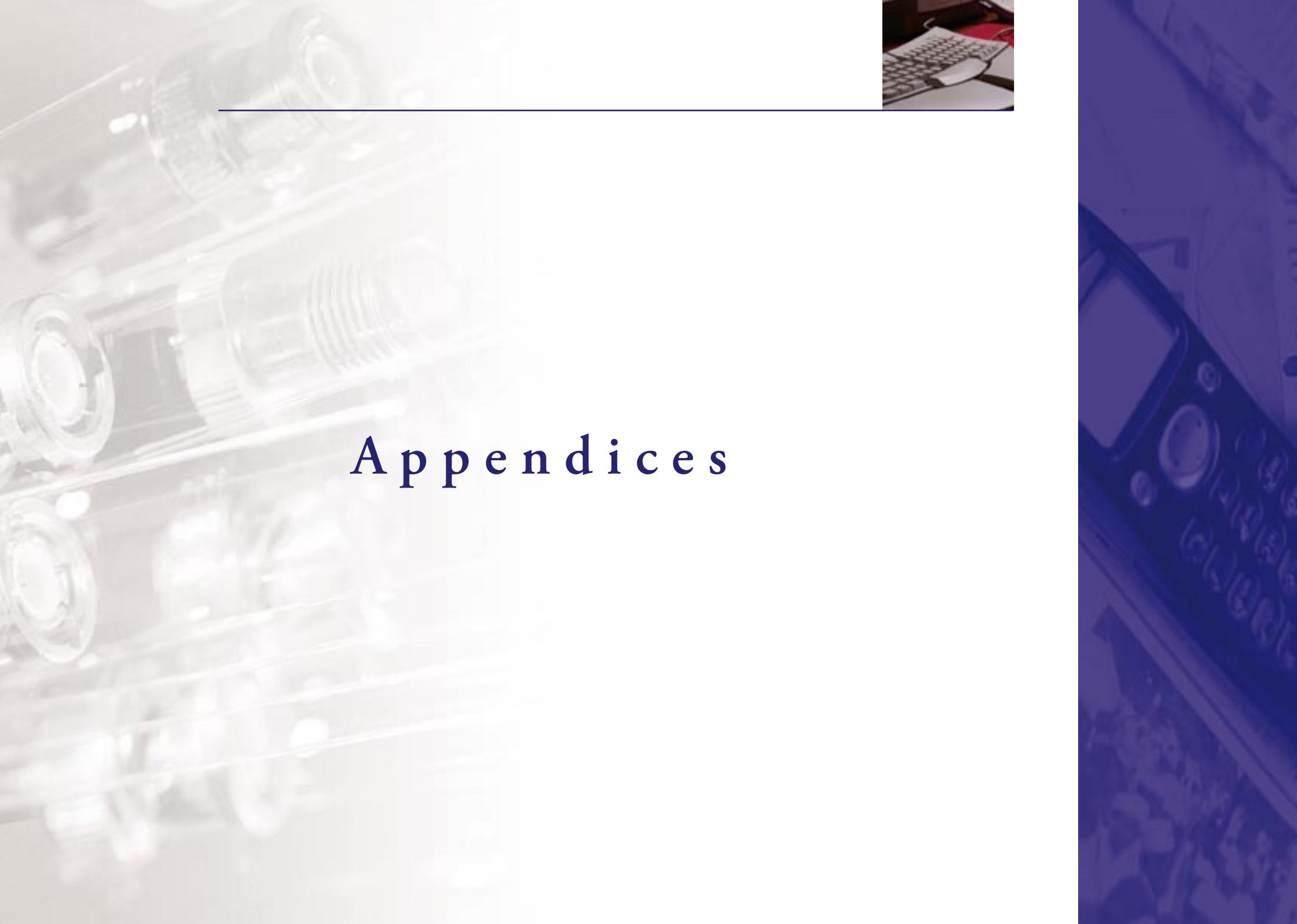


With the intent of developing a structured approach to the Kingdom's planned liberalization of ICT markets, the Commission developed in 2005 a Strategic Plan covering the next five years. The process involved a top-down management and a bottom-up staff approach to reach a consensus on the development of the 5 Year Strategic Plan. The culmination of this process resulted in 79 Projects and over 95 Ongoing Activities. The plan also included detailed project prioritization, based on the importance and timing of the projects within the portfolio. The final Strategic Plan included a detailed program, listing each project and activity with its prime and team members, project description, estimated budget requirements and target start and completion dates. The Strategic Plan will be updated annually and will help in the preparation of the CITC Annual Budget. The Commission also formed a Program Management Office (PMO) in order to track and monitor the progress of the planned activities.

The main projects and ongoing activities planned for Year 2006 include:

- Review and update the Commission Statutes in light of WTO
- 2nd Fixed (and 3rd Mobile) Services Licensing process and license award.
- Development of criteria and Execution measures for Universal Access and Universal Services Policy
- Review and revision of the STC's Reference Interconnection offer (RIO)
- Follow-up on issued Licenses: 3G for Mobily and STC, Data Services and VSAT
- Ongoing Regulation of STC Tariffs
- Analysis of STC's Solutions for Accounts Separation and follow up implementation
- Follow up of Mobile Number Portability implementation
- Completion of the National Frequency Plan.
- Automation of internal procedures for Frequency Management
- Finalize the restructuring of internet service.
- Improve the Home Computer (PC) Initiative
- Implement the Smart Cities initiative
- Establish the National Center for Network and Information Security





# Appendices

## Appendix (1): ICT Sector Development



### 1. Services Penetration Indicators:

SERVICE	2001	2002	2003	2004	2005
<b>Fixed Tel.:</b>					
- No. of Subscribers (Million)	3.233	3.318	3.503	3.695	3.82
- Annual Growth (%)	9%	2.6%	5.6%	5.5%	3.4%
- Penetration (%)	15.2%	15.3%	15.7%	16.2%	16.3%
<b>Mobile:</b>					
- No. of Subscribers (Million)	2.529	5	7.238	9.176	14.2
- Annual Growth (%)	84%	98%	45%	40%	47%
- Penetration (%)	12%	23%	32.5%	40.2%	60.5%
<b>Internet*</b>					
- No. of Subscribers (Million)	1	1.4	1.8	2.4	3
- Annual Growth (%)	67%	40%	29%	33%	25%
- Penetration (%)	4.7%	6.4%	8.1%	10.5%	12.8%
<b>Data Services</b>					
- Broadband Subscribers (000)	13.8	16.7	23.8	34.8	64.0
- Penetration (%)	0.06%	0.08%	0.11%	0.15%	0.27%

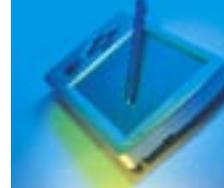
Estimates\*

### 2. Sector Revenues:

SERVICE	2001	2002	2003	2004	2005
<b>Fixed Tel.*:</b>					
- Revenues (Billion SR)	11.792	10.607	9.548	9.587	9.026
- Annual Growth (%)	- 1 %	- 10 %	- 10 %	0 %	- 6 %
<b>Mobile**:</b>					
- Revenues (Billion SR)	7.99	12.94	17.744	20.912	25.194
- Annual Growth (%)	57 %	62 %	37 %	18 %	20 %
<b>Total:</b>					
- Revenues (Billion SR)	19.781	23.547	27.292	30.499	34.22
- Annual Growth (%)	17 %	19 %	16 %	12 %	12 %

\* STC Results

\*\* STC Results for the Years 2001-2005-, Etihad Etisalat (Mobily) for the year 2005



### 3. Number of Licensees

SERVICE	2002	2003	2004	2005
Fixed Telephone Services	1	1	1	1
2G Mobile Services	1	1	2	2
3G Mobile Services	-	-	1	2
VSAT	1	5	5	5
GMPCS Service	1	2	2	2
Internet Service	18	18	23	27
Data Communications	1	1	3	3
Internet Aeronautical Service	-	-	1	1
Automated Vehicle Locator (AVL)	-	-	6	19
Bulk SMS Service	-	-	6	38
Audio Text (700)Service	-	-	-	21
Call Center Service	-	-	-	4
Electronic Wallet Service	-	-	-	2
Mobile Service Recharging Card Service	-	-	-	1
Network Control and Management	-	-	-	2
Total No. of Licenses	21	26	50	130

## Appendix (2): Tariff Reductions on Some Services



### First: Mobile Telephone

Mobile Tel. Service	2004	2005	Reduction %
Subscription (SR)	100	50	50%
Jawal Net 2 (Monthly Subscription)	not available	10	-
Jawal Net 10 (Monthly Subscription)	50	30	40%
Jawal Net 25 (Monthly Subscription)	70	50	29%
Mawgoud (Monthly Subscription)	4	Free	100%
Mawgoud Extra (Monthly Subscription)	12	8	33%
Fax (Monthly Subscription)	15	4	73%

### Second: International Communications

	2004	2005	Reduction %
International Call Rate (SR/Minute)*	3.7	2.53	31%

\* The average rate to the largest 15 countries in regard to traffic volume size (outgoing).

### Third: Internet Services

#### DSL Service

Speed	Subscription (Riyal/Month)		Reduction %
	2004	2005	
128 K bit/second	120	90	25%
256 K bit/second	120	100	17%
512 K bit/second	not available	120	

### Fourth: Data Services - Internet Service Direct Dialing

Circuit	2004		2005		Reduction % (Establishment)	Reduction % (Monthly Subscription)
	Establishment	Monthly Subscription	Establishment	Monthly Subscription		
Inter-City (64KB/s)	5000	900	2700	800	46%	11%
Within City (64KB/s)	5000	3600	2700	3250	46%	10%
Inter-City (128KB/s)	5000	1340	2700	1200	46%	10%
Within City (128KB/s)	5000	5580	2700	5000	46%	10%
Within City (256KB/s)	7500	2100	3950	1850	47%	12%
Within City (256KB/s)	7500	8190	3950	7125	47%	13%
Inter-City (2MB/s)	7500	5850	3950	3400	47%	42%
Within City (2MB/s)	7500	21000	3950	12250	47%	42%

## Appendix (3): Board of Directors Decisions

The Board of Directors held four meetings during the 2005. Below are the most significant decisions of the Board:

- Approval to purchase the land for CITC Headquarters and the mechanism for financing.
- Renewal of contract with the "Saudi Accountants" Office as an external Auditor for the three years (2005-2007-).
- Allocating a three digit number for Command and Control Center (Ministry of Interior).
- Allocating a three digit number for Metrology and Environment Agency
- Extending the Licenses for incumbent ISP and issuing new ISP licenses.
- Approval to issue ISP licenses for aircraft for provisioning aircraft Internet Services and the license fees.
- Approval of the Financial Accounts 2004.
- Approval of the 2004 Annual Report.
- Transfer assets and properties of the Frequency Spectrum System from the Ministry (MCIT) to CITC.
- Approval to issue ISP Licenses to VSAT service providers.
- Approval of new Deputy Governor's Position, re-organization of the CITC IT Sector and updating the Commission's Organization Chart accordingly.
- Approval to open two CITC Branch Offices in Jeddah and Al Khobar and their Organizational Charts.
- Enacting the CITC's Budget Proposal for the Fiscal Year 2006.
- Setting the Fees for issuing the Class Licenses Type (B) and license durations (3 years, renewable).
- Approval to consider ISP license as Class Licenses Type (B) effective Jan. 1, 2006.



## Appendix (4): CITC Decisions (2005)



Decision #	Date	Subject
67/1426	12/2/2005	License for "Bayanat Al- Oula" to install and operate Data Networks and provide its services
68/1426	22/2/2005	Approval for provisioning of STC's Friends and Family offer fixed telephone subscribers.
69/1426	12/3/2005	Approval for provisioning "Do Not Disturb" Service for the fixed telephone
70/1426	15/3/2005	Issuance of a License to "Integrated Telecom Company" to build & operate Data Networks
71/1426	25/4/2005	Approval for the STC to provide the (MMS) Service
72/1426	25/4/2005	Approval for STC to provide ABWAB portal Service
73/1426	30/4/2005	Approval of Reference Interconnection offer (RIO) Document submitted from STC
74/1426	8/5/2005	Approval of the proposed amendments for Dedicated Internet Access Service Tariff
75/1426	8/5/2005	Approval of provisioning of customer requested telegraph express service
76/1426	8/5/2005	Approving the proposed reductions and amendments on the Tariff of invoice request service through (902)
77/1426	11/5/2005	Approval of the period agreed upon it between the STC and Etihad Etisalat (Mobily) to prepare an inclusive plan for mobile number portability
78/1426	22/5/2005	Approval of the proposed amendments on Facsimile Service Tariff
79/1426	28/5/2005	Approval for STC to provide the (VPN) service
80/1426	24/5/2005	Approving the Tariff for SMS exchanged from the STC with other networks working inside the Kingdom
81/1426	25/5/2005	Approval of Jawal Net service Tariff
82/1426	4/6/2005	Approval for provisioning of STC's ALJawal Banking Service to connect automatic teller machines.
83/1426	8/6/2005	Approval of promotional offers for fixed phone service
84/1426	11/6/2005	Approval for Number Change Notification and Auto Connect Service for fixed telephones
85/1426	15/6/2005	Approving the Company request regarding Tariff change and the other amendments
86/1426	21/6/2005	Approving Tariff of Public Trunking Services
87/1426	25/6/2005	Approval to calculate costs and compensations related cable cuts and disruption of public networks

Decision #	Date	Subject
88/1426	4/7/2005	Approving amendment of Tariff for international calls and the off-peak discount
89/1426	4/7/2005	Approval for provisioning of information request for traffic violations
90/1426	4/7/2005	Approval for STC's Friends and family Service for mobile customers
91/1426	4/7/2005	Issuance of a 3G License for STC
92/1426	19/7/2005	Approval for provisioning MMS with other networks working in the Kingdom
93/1426	23/7/2005	Approval of DSL SKY and VSAT services
94/1426	14/8/2005	Approval for STC Friends and Family Offer to prepaid customers
95/1426	15/8/2005	Approval of STC's SMS for fixed telephones,
96/1426	17/8/2005	Approval of Qitaf Loyalty Program amendments
97/1426	1/9/2005	Approval of extending the validity the pre-paid card and the recharging cards



## Appendix (5): Public Comments Requests



Year	Public Notice No.	Date	Subject
2002	1/1424	26/11/2002	Request for Comments on its Draft Rules of procedure
2003	3/1424	30/4/2003	Request for Comments on Competitive Internet Services
	4/1424	07/06/2003	Request for comments on quality of service indicators and standards
	5/1424	07/06/2003	Request for comments on Terms Of Service - Information Sheet
	6/1424	2/6/2003	Request for comments on Interconnection Guidelines
	7/1424	16/08/2003	Request for comments on Accounting Separation for Services Provided by STC
	8/1424	10/08/2003	Request for comments on National Numbering Plan
	9/1424	11/11/2003	Request for comments on the licensing of Data Telecommunications service in Kingdom Saudi Arabia
	10/1424	15/11/2003	Request for comments on the Licensing of Cellular Mobile Services in the Kingdom of Saudi Arabia
	11/1424	15/12/2003	Request for comments on the Licensing of Global Mobile Personal Communication by Satellite (GMPCS)
2004	1/1425	20/03/2004	Request for comments on Price Caps for Services Provided by Saudi telecommunications Company
	2/1425	5/5/2004	Request for Comments on the Mobile Number Portability policy and Guidelines
	3/1425	22/05/2004	Request for comments on STC's Reference Interconnection Offer
	4/1425	12/06/2004	Request for comments on Universal Access and Service Policies
	5/1425	21/08/2004	Request for comments on The Saudi Arabia Home Computing Initiative (SaHCI)
	6/1425	30/08/2004	Request for Comments on Signaling Point Code Numbering Plan and Guidelines
	7/1425	13/19/2004	Request for Public Comments on Government Portal Services Project
	8/1425	13/12/2004	Request for Public Comments on Paid Content for Web-Sites on Saudi Arabia
	9/1425	19/12/2004	Request for Comments on Proposed Schemes for type approval and registration of telecommunications and IT equipment and for licensing of equipment for licensed network operators
2005	10/1425	12/1/2005	Public Notice on STC's Proposal to Cease Providing Radio Paging Services
	1/1426	6/4/2005	Public Notice on Licensing of Wireless Trunking Services (WTS) in the Kingdom of Saudi Arabia
	2/1426	09/05/2005	Request for Comments on the Proposed National Standard Specifications for the Telecommunications and Information Technology equipment
	3/1426	18/05/2005	Request for Comments on the Licensing of Mobile Broadband Satellite Services
	4/1426	18/12/2005	Request for Public Comments on suitable approach to inform subscriber that the number he dialed has been ported to another Service Provider

## Appendix (6): Local, Regional and International Meetings



The CITC has participated in many local, regional and international meetings and conferences as follows:

### Local:

- Jenadriah Heritage and Folk Culture Festival, March 2005
- Jeddah ICT Expo, 11 - 13 Sept. 2005
- Hajj Committee on radio Communications Interference, 1426 A.H. (2005)
- Saudi Scientific Society for Electrical Engineers (Invited CITC Presentation), March 2005
- The 12th IEEE Technical Exchange Meeting KFUPM, Dhahran, May 16 - 18, 2005 (Invited CITC Presentation)
- The Annual Conference on Information Security in the Banking Sector, SAMA, Riyadh, Nov. 2005 (CITC Keynote and Invited Presentations)

### Regional:

- MEED 3rd Middle East Telecoms Conference, Bahrain 8 - 9 Feb. 2005
- ITU Arab Center of Excellence 3rd General Assembly, 20 - 22 March 2005.
- Arab ICT Permanent Committee, Cairo, April 2005.
- Arab Team on Accounting & Settlement Rates, Cairo, April 2005.
- HITB Security Conference, organized by Hack-in-the-Box and E-Security Gulf Group, Manamah, Bahrain, 10 - 11 April, 2005
- "Arab Reg. Workshop on Dispute Resolution" Bahrain, 31 May-1 June 2005.
- Council of Arab ICT Ministers (& its Executive Committee), Tunis, June, 2005.
- Capacity-Building Workshop on "Information Society Measurements: Core Indicators, Statistics and Data Collection, ESCWA, Beirut, 7 - 10 June 2005.
- GITEX - Gulf Information Technology Exhibition, Dubai, Sept. 2005
- Workshop on "Developing ICT resources for strategic advantage", Bahrain, 21 - 24 Nov. 2005.
- ITU-BDT Seminar on Fixed Mobile Convergence & new network architecture for the Arab Region, Tunis, 21 - 24 Nov. (Invited CITC Presentation)
- The Arab Team on Operations and Tariffs, Cairo, 4 - 6 Dec. 2005.
- ITU Arab Center of Excellence Round Table and 8th Steering Committee Meetings, 12 - 13 December 2005.





- ITU Arab Center of Excellence Workshops:
  - "Universal Access and Universal Services Policies" Amman, 7 - 9 Feb. 2005.
  - "Interconnection and Price regulations" Muscat - Oman, 3 - 6 April 2005.
  - "Human Resources Rightsizing" Muscat - Oman, 29 May - 1 June 2005.
  - "IP and Network Security" Damascus - Syria, 4 - 6 June 2005
  - "MPLS Technologies and Applications" Amman-Jordan, 24 - 28 July, 2005.
  - "VoIP/SIP Technology and IP Telephony" Cairo - Egypt 11 - 15 and 18 - 22 September 2005.
  - "Economic Aspects of Spectrum Management for the Arab States" Sana'a, 11 - 13 Dec. 2005.
  - "Developing Competition Policies and strategies in telecommunications", Rabat, Morocco, 19 - 21 Dec. 2005.
- Permanent Arab Working Group on Radio Spectrum
- Gulf Cooperation Council IT (e-Commerce, Executive Committee on Post and ICT, Technical Telecom Office).
- Coordination Meetings with neighboring countries (Jordan, Egypt, Yemen and Bahrain) on radio interference issues and cross-border radio coverage.
- Regional Radio Communication Conference for Planning of digital terrestrial broadcasting Services in the Bands 174223- MHz and 470862- MHz.

#### **International:**

- CeBIT Expo / Trade Show, Hannover, 10 - 16 March 2005
- ITU Council, Geneva, 1222- July 2005 (Saudi Arabia Chaired).
- ITU-R Study Groups and Preparatory Meetings for World Radio Conference 2007.
- Effective Regulation in a Broadband World, Executive-Level Training for Regulators, Yasmine - Hammamet, Tunisia, 12 - 13 Nov. 2005.
- Global Symposium for Regulators (GSR), ITU, Tunis, 14 - 15 Nov. 2005.
- World Summit on Information Society (WSIS), Tunis, Nov. 2005 and WSIS Preparatory Committee Meetings (Feb. Sept. and Nov. 2005).



## Appendix (7): CITC Financial Accounts



	31 Dec 2004 (Audited) SR (000)	31 Dec 2005 (Audited) SR (000)
<b>Revenues:</b>		
Spectrum usage Fees	217,444	211,793
Fees for Commercial provision of Service	4,677,769	4,492,610
Fees for Licenses issuance	13,384,690	754,965
Fees for Licenses usage	286,193	300,563
Other revenues	19,026	21,416
<b>Total revenues</b>	<b>18,585,123</b>	<b>5,781,347</b>
<b>Expenditures</b>		
Employees Costs	60,048	72,892
Administrative and general expenditures	14,469	22,301
Consultancies	21,570	31,529
Information technology systems and software	5,672	22,306
Capital Expenditures	22,992	35,337
<b>Total Expenditures</b>	<b>124,930</b>	<b>184,365</b>
<b>Net Revenues</b>	<b>18,460,192</b>	<b>5,596,981</b>

## Appendix (8): List of Licenses Issued



	LICENSED COMPANY	COMMENTS
License Type: Fixed Line Telephony Services		(1 License)
1.	Saudi Telecom Company	
License Type: Mobile Telephony (GSM) Services		(2 Licenses)
1.	Saudi Telecom Co.	
2.	Ettihad Etisalat "Mobily"	
License Type: 3rd Generation Mobile (3G) Services		(2 Licenses)
1.	Saudi Telecom Co.	
2.	Ettihad Etisalat "Mobily"	
License Type: Data Communication Services		(3 Licenses)
1.	Saudi Telecom Co.	
2.	Integrated Telecom Co. 'ITC'	
3.	Bayanat Al-Oula Co.	
License Type: GMPACS Services		(2 Licenses)
1.	Thuraya Satellite Communication Co.	
2.	Farhan Communication Co.	

	LICENSED COMPANY	COMMENTS
License Type: VSAT Services		(5 Licenses)
1.	Saudi Telecom Co.	
2.	Datecon Al Saudia Co.	
3.	Al Harbi Telecom	
4.	High Capabilities Technologies Co.	
5.	Saudi Inteletic Co.	

License Type: Aeronautical Internet Services		(1 License)
1.	BOEING Satellite Systems International	
License Type: AVL Services		(19 Licenses)
1.	Farhan Communication Co.	
2.	Information Technology Co.	
3.	Nour Communication Co.	
4.	Information and System Technology IST	
5.	Ejad Communication Co.	
6.	Data Star Co.	
7.	Osama Baker Abbas Establishment	
8.	Business for Communication Est.	
9.	Draiz Co.	
10.	Daleelteq	
11.	Saudi Network Link Co. Ltd.	
12.	Advanced Electronic Ltd.	
13.	Commercial Register group Ltd.	
14.	Saudi Early Warning	
15.	Loloat Al-Awtan for Communications Ltd.	
16.	Al-Gahtani Vesek	
17.	International Key for Communications and Computer	
18.	International Works Steps Group for Contracting	
19.	Al-Awal for International Network	



	LICENSED COMPANY	COMMENTS
License Type: SMS Services		(38 Licenses)
1.	Saab for Communications Ltd.	
2.	Al-Farhan Commercial Co. Limited	
3.	Nour for Communications Ltd	
4.	Systems and Information Technology	
5.	Information House	
6.	Saudi Gulf Network	
7.	Saudi for Audio Communications and Information	
8.	Arabia for Internet Services and Communications	
9.	Electronic Innovations	
10.	A'mmal for Communications	
11.	International Itisalat	
12.	Al-Ata'as trading Co.	
13.	Saudi Agras for Communications	
14.	International Baraheen	
15.	Advertisement Services	
16.	Gira'a Al-Mutahida	
17.	Electronic Resources Ltd.	
18.	International Innovation House	
19.	Commercial Golden Page	
20.	Advanced Electronic Ltd.	
21.	Arab Communications Ltd.	
22.	Commercial Intelligent Call	
23.	Distinguished Tasheel for Communications Ltd.	
24.	Zaffa Commercial Co. Ltd.	
25.	Audio-Visual Co.	
26.	Unique Works group	
27.	Al-Gazera Establishment for Newspapers and Publishing	
28.	Advanced Communications	
29.	Ara for Advertisement and Announcement Ltd.	
30.	Eckol Plus Ltd.	
31.	Commercial Digital Basma	

	LICENSED COMPANY	COMMENTS
License Type: SMS Services		(38 Licenses)
32.	Alwan Al-Tawouse for Advertisement and Announcement	
33.	Four Systems for Commerce	
34.	Rawabi for Communications and Software's	
35.	Al-Watania for Announcement	
36.	Neda'a Al-Alam	
37.	Al-Neda'a for Communications Technology	
38.	Elaf House for Publishing Ltd.	

	LICENSED COMPANY	COMMENTS
License Type: Audio Text Services (700)		(21 Licenses)
1.	Nour for Communications Ltd	
2.	Advanced Communications	
3.	Saab for Communications Ltd.	
4.	International Barahean	
5.	Saudi for Audio Communications and Information	
6.	Announcement Services	
7.	International Key for Information Service	
8.	Arab communications Ltd.	
9.	Electronic resources Ltd.	
10.	Commercial intelligent Neda	
11.	Saudi for Commerce and Resources Ltd.	
12.	Abdullah Mohammed Al-Othman Commercial Co.	
13.	Shatha Al-Sharq for Commerce	
14.	Information Neda'a	
15.	Unique Works Group	
16.	Electronic Services	
17.	Electronic Innovations	
18.	Eckol Plus Ltd.	
19.	Al-Neda'a for Communications Technology	
20.	Al-Watania for Announcement	
21.	Al-Yaraq International Ltd.	



LICENSED COMPANY		COMMENTS
License Type: Call Center Service		(4 Licenses)
1.	Zajoul for Advanced Communication Technology	
2.	Arab Communications Ltd.	
3.	International Key for Communications and Computer	
4.	Al-Awal Co. for International Network	

LICENSED COMPANY		COMMENTS
License Type: Electronic Wallet Services		(2 Licenses)
1.	Zaffa for Commerce Ltd.	
2.	International Key for Communications and Computer	

LICENSED COMPANY		COMMENTS
License Type: Mobile Service Prepaid Card Recharging		(1 License)
1.	International Key for Communications and Computer	

LICENSED COMPANY		COMMENTS
License Type: Network Control and Management Service		(2 Licenses)
1.	Integrated Networks Ltd.	
2.	Al-Awal Co. for International Network	

LICENSED COMPANY		COMMENTS
License Type: ISP Service		(27 Licenses)
1.	Al-Rajhi Saudi Group	
2.	Sahara Network	
3.	DiGi Systems	
4.	Nour Communications Co.	
5.	National Engineering Services AND Marketing Co. (Nesma)	
6.	Shaheer Techniques Inc.	
7.	Samir Photographic Supplies	
8.	Zajoul for Information Technology	
9.	Arabian Electronic Network (Jeel)	
10.	International Computer Co. (ICCNET)	
11.	Saudi Internet Co.	
12.	Saudi Net	
13.	Gulfnet KSA (Zajil)	
14.	Arab Circle Co. for Internet Services Ltd.	
15.	Saudi Voice and Data Telecommunication Co. (Vodatel)	
16.	Saudi Business Machines Ltd. (SBM)	
17.	Arabian Internet & Communication Service Co. (Awalnet)	
18.	National Co. for Information Systems	
19.	Ofoq Information Systems & Communications Co. (ArabNet)	
20.	Batelco Jeraisy Limited (Atheer)	
21.	Dar Alriyadh Holding Co. (Saudi On line)	
22.	Middle East Internet Co. (Cyberia)	
23.	AL-Jazirah Corporation for Press, Printing and Publishing (Suhuf)	
24.	Medu Net Co.	
25.	Ettihad Etisalat (Mobily) Co.	
26.	High Capabilities Technologies Co.	
27.	Nasser Al-Harbi Co.	

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